

Regular Session, 2011

SENATE BILL NO. 267 (Substitute of Senate Bill No. 227 by Senator Mills)

BY SENATOR MILLS

CORRECTIONAL FACILITIES. Provides for pre-paid lease contracts of state correctional facilities. (gov sig)

1 AN ACT

2 To enact R.S. 39:1800.4(C)(3), relative to state and local correctional facilities; to provide  
3 for pre-paid leases of certain state correctional facilities; to provide for certain terms  
4 of pre-paid leases of state correctional facilities; to provide for an effective date; and  
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1800.4(C)(3) is hereby enacted to read as follows:

8 §1800.4. State and local corrections facilities; private contracts

9 \* \* \*

10 C. (1)

11 \* \* \*

12 **(3) Notwithstanding any provision of law to the contrary, the**  
13 **department may amend a current operating agreement or contract with a**  
14 **private correctional services contractor, awarded under the provisions of this**  
15 **Chapter for the provision of correctional or geriatric services, to include a lease**  
16 **of the state facility where those services are being provided. Any such lease**  
17 **shall be pre-paid in an amount equal to the fair market value of the state facility**

1 to be leased, shall be for a period not to exceed twenty years, and shall not  
 2 contain an option for the lessee to purchase the state facility. Such pre-paid  
 3 lease may provide that the term of the contract to provide correctional or  
 4 geriatric services shall be the same as the term of the pre-paid lease. Such pre-  
 5 paid lease may provide for a per diem to be paid to the private correctional  
 6 services contractor or for an increase in the per diem paid to the private  
 7 correctional services contractor under the terms of the contract to provide  
 8 correctional or geriatric services. Any additional per diem as provided in this  
 9 Paragraph shall be calculated so that it shall not exceed the pre-paid lease  
 10 amount and the cost of capital associated with the pre-paid lease amount  
 11 applied evenly over a period of time equal to the term of the pre-paid lease and  
 12 the amended contract to provide correctional or geriatric services.

13 \* \* \*

14 Section 2. This Act shall become effective upon signature by the governor or, if not  
 15 signed by the governor, upon expiration of the time for bills to become law without signature  
 16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 17 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 18 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Martha S. Hess.

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#### DIGEST

Mills (SB 267)

Present law provides that the Department of Public Safety and Corrections and local governmental subdivisions are authorized to enter into contracts with prison contractors for the financing, acquiring, designing, leasing, constructing, and operating of prison facilities.

Present law provides that contracts awarded under the provisions of R.S. 39:1800.1 through 1800.7, including contracts for the provision of correctional or geriatric services or for the lease or use of public lands or buildings for use in the operation of state or local facilities, may be entered into for a period not to exceed 20 years, subject to the requirement for annual appropriation of funds and provided that contracts for correctional or geriatric services may be entered into for successive periods not to exceed five years, provided that contracts which involve expenditures for capital improvements may not exceed 10 years. These contracts are subject to annual appropriation of funds.

Proposed law retains present law and authorizes the department to amend a current operating agreement or contract with a private correctional services contractor, awarded under the

provisions of present law to provide correctional or geriatric services, to include a lease of the state facility where those services are being provided. Any such lease shall be pre-paid in an amount equal to the fair market value of the state facility to be leased, shall be for a period not to exceed twenty years, and shall not contain an option for the lessee to purchase the state facility. Such pre-paid lease may provide that the term of the contract to provide correctional or geriatric services shall be the same as the term of the pre-paid lease. Such pre-paid lease may provide for a per diem to be paid to the private correctional services contractor or for an increase in the per diem paid to the private correctional services contractor under the terms of the contract to provide correctional or geriatric services. Any additional per diem shall be calculated so that it shall not exceed the pre-paid lease payment and the cost of capital associated with the pre-paid lease amount applied evenly over a period of time equal to the term of the pre-paid lease and the amended contract to provide correctional or geriatric services.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 39:1800.4(C)(3))